

94. Your brother says there should be a Government indorsement on the promissory note?—I will read: "Remember also that, in the case of promissory notes given, a particular form is required; these are to be indorsed by the Government, and drawn on a private firm, so as to be legal and reclaimable in New Zealand." I confess to this day I do not understand what that means.

95. You had notice in the beginning of 1872 that Dr. Featherston himself, as Superintendent of the Province of Wellington, had lost £40,000 by these notes. Your brother warned you carefully as to the form, and suggested a Government indorsement? No. He did not suggest a Government indorsement. He suggested we should take advantage of Dr. Featherston's experience.

96. That if a particular form was required, it was to be drawn by the Government?—He says that Dr. Featherston's experience should be used. We thought certainly when we came to Dr. Featherston he would instruct us as to the form required. A man who has lost £40,000 in that way would be likely to know how to guard against it again.

97. Early in 1872 you had ample notice of the difficulty of collecting these notes?—Only to a very limited extent. We heard that the givers of the promissory notes had repudiated them or absconded. The repudiating of a particular form of note only made us put ourselves more entirely under Dr. Featherston's guidance in that respect. We received this letter on the 8th February

98. All the agreements were made after the receipt of that letter by you?—Yes.

99. Do you fix any particular interview at which the Agent-General represented to you that there would be no difficulty in collecting this particular class of promissory note, or do you say it is the result of what you gathered from several conversations with the Agent-General?—The question of the recovery of the money was a very serious matter to us. There was a very large sum involved, so we took the greatest precaution we could to get ourselves put in such a position that we could recover the money. Not only did I ask Dr. Featherston about this a good many times, but, as I mentioned, our solicitor consulted with him, and also with Mr. Mackrell, the solicitor for the Crown Agents, to get the best advice that could be got on the subject, and on that advice to settle the form of the note. We certainly thought, after settling the form so carefully, we should not have repudiation.

100. Your brother was in the colony. Are you aware whether he consulted his legal advisers in the colony when the original draft agreement was submitted to him?—I do not think he consulted his solicitors out here.

101. Was a draft agreement received by you from your brother?—No; we received no draft from him.

102. You are aware that a draft agreement between Mr. James Brogden and the Government was prepared?—I am aware of that, from the fact that Dr. Featherston afterwards gave me a copy

103. You had that copy before you signed the agreement in June, 1872?—Yes.

104. Are you aware whether your brother took legal advice in the colony when that draft was under consideration?—No; I think he declined to sign, and referred the matter to us.

105. In your evidence you said it was nearly signed by your brother?—No; I said that Dr. Featherston said he had nearly signed.

106. Your brother had the opportunity of taking legal advice in the colony as to the power to recover?—No doubt he had the opportunity; but he did not need to take it, as he had declined to sign it.

107. Did he make any communication to you on it?—Not beyond the letter you have got.

108. In which he did not enclose the draft?—In which he did not enclose the draft.

109. You say the Agent-General represented there would be no difficulty in collecting under the particular form which was eventually adopted?—Yes; that form was settled by him.

110. You had seen the despatch of the Agent-General of the 10th July, 1873?—It was read over to me by Dr. Featherston; not the whole of it, but the part that related to our letters of the 12th June and the 10th July

111. Was that in consequence of a request by you to Dr. Featherston that he would favourably recommend your claim to the Government?—It was the result of much negotiation with him.

112. Was there any admission by the Agent-General, when you said he had made these representations, that he had made them?—There was no denial of them.

113. But was there any admission so far as you observed. He said he would recommend your claim to the favourable consideration of the Government, but he never admitted in writing that he had made the representations you allege?—I can only answer the question by putting a parallel case. Suppose a man did not admit owing me a sum of money, but paid me, I should consider I had got all I required. When Dr. Featherston said he had recommended our proposals, I considered that to be an admission of the whole question.

114. Did you ask the Agent-General, when you had conversations, to make an admission as to the representations?—No; certainly not. I was quite satisfied with the recommendation. That covered the whole ground.

115. Did you at any time ask the Agent-General to make an admission that he had made the representations? I did. He admitted all that is stated in that letter; but I could never get him to reduce it to writing.

116. Did you ask him?—I did; but he would not give any answer.

117. What was the margin of £5 for?—That was to cover the risk of loss and the expense of collection; and a very foolish arrangement it was for everybody except the Government, and I do not think it was very good for them either.

118. I find in February or March, 1873, you had 525 men in your employ, and that on the 9th September, 1873, you had 218 men?—Yes.

119. You had then sufficient notice that your men were dwindling away very fast?—Yes.

120. Why did you not take steps then to recover from those in your employment?—We did by deducting from the wages of those who remained with us and so long as they remained with us; but as to those who had left we found it very costly, and we generally spent more money than we received.

121. Mr. Henderson, in his evidence before the Committee, said it did not pay to put the men in prison because it cost 10s. a week each to keep them there?—Yes.